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A CAHNERS PUBLICATION AUGUST 1992

graphic arts monthly®

THE MAGAZINE OF THE PRINTING INDUSTRY

Print Analysis Systems
Internal Press Audits Yield Consistent Color

GAM 101 and CEO Report

Changing Work Force: Education, Training

Print Target Market: Publishing

VOLUME 64, NUMBER 8

A CAHNERS PUBLICATION AUGUST 1992

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THE MAGAZINE OF THE PRINTING INDUSTRY

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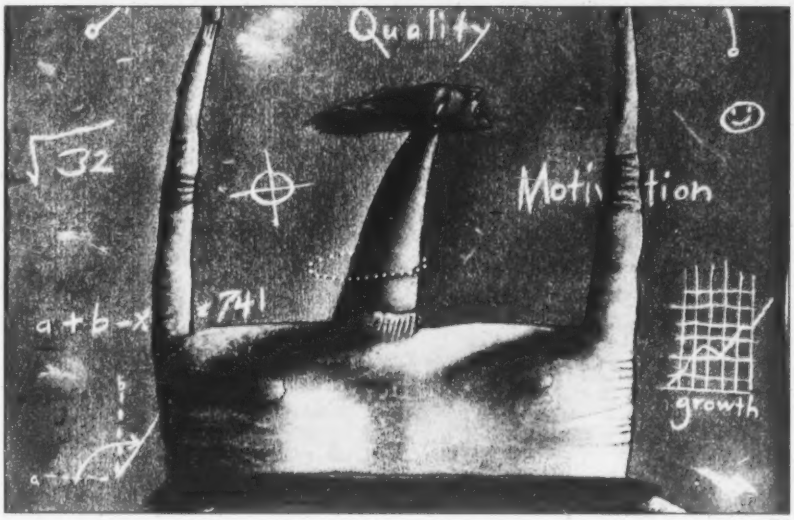
FEATURES



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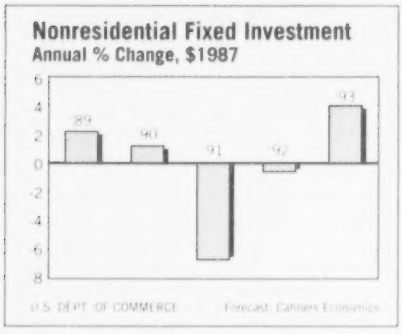
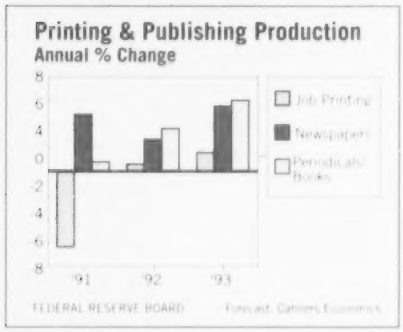
Corporate Profits Turning Around



Business investment increased an annualized 3.1% in first-quarter 1992—the first rise in a year and a half—to $509.5 billion. This gain came on the heels of a sharp decline in the previous quarter. Most of this growth came from spending on information processing equipment, which jumped an annualized 12.7% in the first quarter. Meanwhile, spending on structures increased 2.5%, and spending on industrial and transportation equipment declined. Investment trends closely follow corporate profit trends.

After-tax corporate profits declined for three consecutive years before finally hitting a low point in the second quarter of 1991. Since then, profits have been slowly but steadily on the rise and are expected to post a 14.5% gain in 1992. Reaching its low point in fourth-quarter 1991, business investment fell to its lowest level since 1987. Investment spending is projected to rise through the end of the year but still fall short of last year's total. By 1993, investment spending will post a solid 4% rise.

Index Shows Output Upturn



The index measuring printing and publishing output increased 3.1% in the first five months of 1992, as compared to the same period in 1991. This rise gives a clear indication of a solid recovery in this industry. Most of the strength appears on the publishing side, but the rate of growth in periodicals and books is slowing down. After four consecutive years of being the fastest-growing industry sector, periodical and book publishing is headed for a more modest year in 1992.

Job printing production grew 2.7% so far this year and is expected to reach 3.6% by year-end. Periodical and book output, on the other hand, is headed for 2.7% growth in 1992. While the past recession was rough on the printing and publishing industry, it could have been a lot worse. Most manufacturing industries saw production levels plunge. Printing and publishing growth will reach 3.6% in 1992 and 5.2% in 1993. This compares to 3.1% and 4.9% for total manufacturing.

The printing activity datatable has been revised to an easier-to-read format. In the left four columns, the most recent month of data is displayed, the last year and the forecasts for the next two years. The four right columns show the percent change for each period, as compared to a year ago. Also, we will now regularly report consumer spending and business investment, which comprise 82% of total gross domestic product and also serve as indicators of printing demand.

PRINTING ACTIVITY INDICATORS

	Actual value			% Chg from a year ago			
General Economic	**Q1/92**	**1992**	**1993**	**Q1/92**	**1991**	**1992**	**1993**
Gross Domestic Product (1)	4904	4949	5079	1.6	-0.8	2.1	2.6
Business Investment (1)	509	509	530	-4.9	-6.7	-0.6	4.0
Consumer Spending (1)	3311	3344	3439	2.2	-0.2	2.6	2.8
Industrial Production (2)	**Q1/92**	**1992**	**1993**	**Q1/92**	**1991**	**1992**	**1993**
Printing & Publishing	114.4	116.3	122.3	3.3	0.3	3.6	5.2
Newspapers	NA	92.8	94.2	NA	-6.4	0.6	1.6
Periodicals, Books, Cards	132.7	134.0	141.4	2.9	4.8	2.7	5.5
Job Printing	116.2	117.6	124.6	3.3	0.8	3.6	6.0
Producer Prices (3)							
Commercial Printing	130.9	132.2	137.5	0.8	1.6	1.6	4.0
Printing Trades Machinery	126.1	127.3	131.3	-0.5	1.4	0.5	3.2
Printing Ink	127.4	128.9	135.4	3.2	5.9	1.3	5.1
Paper	123.1	125.3	131.8	-3.9	-1.5	-1.3	5.2

(1) Billions of 1987 dollars, SAAR, U.S. Dept. of Commerce (2) Index 1987 = 100, Federal Reserve Board
(3) Index 1982 = 100, U.S. Dept. of Labor. All forecasts by Cahners Economics

Slow, Moderate Growth Ahead

In case you've been hiding under a rock for the past 12 months, 1991-92 was (and is) a tough time to make profits; this was true even for many of the top printers in our industry. Comments from the chief executives of GAM 101 companies (see accompanying gatefold) and other leading printers indicate that many held their own, but sales increases were frequently described as "moderate", sales themselves as "soft", and the future was called everything from "stable" to "a disaster".

Whose is the correct vision? It's impossible to say, though most would agree on several major points:

- Niche marketing, or targeting a company to a specific market and specializing in serving that market, is the only sure-fire way to remain a viable competitor.
- Whenever the recovery happens (and it could be six to 12 months or more before we notice any appreciable, positive change); it will be slow (most predict 1%-2%), and the growth that many companies saw in the '80s is not likely to occur again.
- New technology is bringing, and will continue to bring, faster and better methods of printing and getting the product to the customer. It will also mean printers have to shore up their distribution arms (and be ready and willing to enter new market territories, including international waters); be wary of overcapacity; and constantly provide training and technical support so employees will be capable of delivering a competitive product.

By Michael Karol
Managing Editor

Sales increases were described as "moderate", sales as "soft".

Wallace Stettinius is chairman and CEO of Cadmus Communications, Richmond, Va.

Of course, how a company performed in the past year depended quite a bit on the type of market it served. As William Hart, chairman of Hart Graphics, Inc., Austin, Texas points out, "If you have a good niche, and that niche is in an industry that's [growing], you're okay. If you are a general commercial printer, then 1993 is not going to be much better than 1992."

"Our differentiated markets, including software documentation, multi-media kits, hard- and soft-cover books, games and puzzles, and card sets will continue to grow," says George P. Oess, president of Western Publishing Co., Racine, Wis.

At Bowne & Co., New York, president Richard H. Koontz believes in a "fundamental strategy of remaining dedicated to financial printing, while also pursuing growth opportunities outside our core business. This basic approach enabled us to enjoy a much-improved year in 1991 [a 17% rise in sales for the fiscal year and a 70% rise in net income]."

"Continued repositioning with heightened focus on niche markets" is how Steven B. Campbell, president of H.S. Crocker Co., King of Prussia, Pa., describes one of his company's ongoing

goals (in this case, the markets are pharmaceutical and specialty packaging). Campbell sees continued pressure on prices with greater customer expectations of "total value" leading to "improved quality (for customers) from fewer suppliers."

"We service the building-related industries, which have been in a weak period," says Thomas G. Colwell, president and chairman of Colwell Industries, Inc., Minneapolis. On the other hand, the "publications business is showing substantial improvement," good news since Colwell divested itself of four companies in the '80s and focused its business on "the color sampling field and printing publications and catalogs."

John E. Cocanougher, president and CEO of the Lancaster Press, Inc., Lancaster, Pa., agrees, calling his company a full-service printer in a specialized market niche: "Catalog and commercial work will rebound strongly for the second half of 1992, continuing through 1993, and publications will show slow, steady growth."

The Fleming Packaging Corporation of Peoria, Ill., finds itself in a somewhat more difficult position. Says chairman Theodore John Fleming, "Our 'core businesses' are continuing to deteriorate. We must diversify into related, growth industries. The distilled spirits and wine industries will still be flat" through 1993. "The direct mail business will continue to improve." All in all, Fleming predicts, "The total year should be better than last fiscal year."

Robert R. Woodson, chairman, president and CEO of the John H. Harland Co., Atlanta, notes that his company, "faces a selling environment that is significantly more competitive than it was five years ago, but we believe we have the business strategies in place to be successful." These include remaining a competitor in the check printing field, while strengthening Harland's position in new growth areas like data services.

"Our company, like most companies in the industry, is working hard on improving quality and reducing costs," says Wallace Stettinius, chairman and CEO, Cadmus Communications Corp., Richmond, Va. "We are trying to be even more focused in our sales efforts and are looking for better ways to differentiate our capabilities."

But even assuming you've got a market niche and are serving your customers well, the economy is a constant wild card, capable of throwing a wrench in the best-engineered business plan. Stettinius believes there "will be a modest (economic) recovery in 1993, which should help the printing industry. However, there is still substantial excess capacity, and we expect continued pressure on prices until the imbalance in supply/demand corrects itself. So 1993 probably looks better than 1991, but nothing like the 1980s." He adds, "I hope I'm wrong."

Many others see a rocky landscape ahead, including:

—Stephen C. Marcus, chairman, Mars Graphic Services: "Tough margins through '92, more shakeouts of marginal operations. Beginning in 1993, a better (yet moderate) growth on the bottom line, and little growth on volume."

—Michael J. John, president, CEO, Pacific Lithograph, San Francisco: "Slow growth due to overcapacity in the market; business will remain competitive and capital-intensive."

—Herbert Marshall Sayers, chairman, president and CEO, Sayers Communications, St. Louis, Mo.: "Slow, positive growth. We must manage printing businesses professionally, not as the traditional 'family' business."

—Robert W. Poorman Jr., CEO, Shepard Poorman Communications, Indianapolis: "Slow growth mode for most printers of $10 million-plus sales. We prefer to form 'strategic alliances' with our customers and vendors, thus enhancing long-term relationships and win-win situations."

Richard H. Koontz is president of Bowne & Co., New York.

—Leo Benatar, chairman and president, Engraph, Inc., Atlanta: "The business environment will be difficult with very little growth, very few opportunities to raise prices. Only way profit improvements will be achieved is through cost-effectiveness and specialization."

Finally, our favorite take on the economy comes from Christopher W. Georgehead, president of Gateway Press, Louisville, Ky., who says there will be "gradual improvement during the rest of 1992. After the presidential elections, in the first or early second quarter of 1993, the economy will either take off or fall flat on its face." A can't-miss prediction.

A few chief executives had sound advice for those companies who are positioned well and ready to perform despite the economy. Serge De Paoli, president of Trans-Continental Printing, Inc., Quebec, recalls that, "1990-91 were years of consolidation. We wanted to prepare ourselves for the recovery and continue our growth. Cost controls, MIS systems, total quality, rationalization of our operations, and a financing program were key elements. We wanted to be in position for any growth opportunity."

On March 31, his company acquired the Canadian Web Group from Southam. De Paoli adds, "In

light of free trade, the leanest and meanest will survive. We must target our [companies] at being low-cost producers: best services, best products, and the best prices."

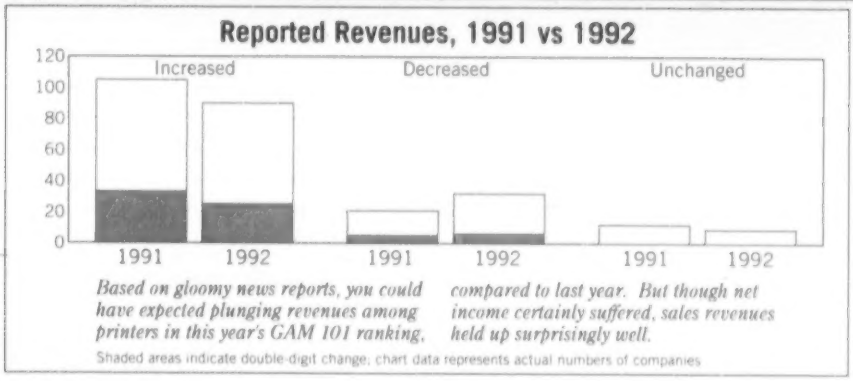
Plans for Edwards Brothers, Inc., Ann Arbor, Mich., include a "focus on quality enhancement, schedule reliability and our ability to partner with our clients as they respond to changing demands from their customers," according to president Martin H. Edwards. "There should be some improvement in volume and a continuation of the pressures for faster turnarounds and continued price compression. New and more sophisticated equipment will require greater employee skill and training, which companies will have to provide in an ever-greater amount."

New technology is a positive force, says Jim Pentecost, president, Printco, Greenville, Mich. "Every time equipment is replaced," he notes, "it is replaced with faster/wider/better equipment. This will continue to make print a very economical means of communicating when compared to other media."

Edward C. Nytko, president and CEO, Ringier America, Itasca, Ill., sums up, "Publishers are [coping with] a more competitive market and are turning to their printers for help in being more creative and productive. There is an increasing need for better technology and its associated flexibility to create magazines, catalogs, and books with greater value. While costs, quality, and timeliness have been, and continue to be, very important, it will be essential that printers provide aggressive distribution options along with international capability to their customers, as global markets continue to develop."

Sure, it's been a tough few years. And it might not get appreciably better (although it will get a *bit* better, says almost everyone) any time soon. For a printer to survive and thrive in the Nebulous Nineties, he or she will have to "go beyond traditional creative and geographic boundaries", as Nytko says, to forge a niche and work closely with vendors and customers as never before. It's a tough job, but if you don't do it, we guarantee someone else will.

Top Printers Survive Poor Year



Based on gloomy news reports, you could have expected plunging revenues among printers in this year's GAM 101 ranking, compared to last year. But though net income certainly suffered, sales revenues held up surprisingly well.

Shaded areas indicate double-digit change; chart data represents actual numbers of companies

Bubbling Under the GAM 101....

Williamson Printing Corp., Dallas, TX	$40,000,000
Daniels Printing, Everett, MA	$38,600,000
Mars Graphic Svcs., Westville, NJ	$38,291,000
John Roberts Co., Minneapolis, MN	$37,500,000
Concord Litho Co., Concord,NH	$36,272,970
Shepard Poorman, Indianapolis, IN	$36,013,000
Sayers Communications., St. Louis, MO	$35,600,000
S. Rosenthal & Co., Cincinnati, OH	$35,500,000
St. Ives, Inc., Hollywood, FL	$35,109,000
Bert-Co Graphics, Los Angeles, CA	$33,000,000
Standard Publishing, Cincinnati, OH	$32,423,617
Gateway Press, Louisville, KY	$31,653,000

If the detachable 1992 GAM 101 double gatefold form facing this page is missing, send $5.00—payment with order, please—to Carol Bien, Reprint Services, Cahners Publishing Company, 1350 E. Touhy Ave., Des Plaines, Ill. 60018.

AUGUST 1992

graphic arts monthly

The GAM 101

Official Industry Ranking Of The Top Printing Firms

This detachable double-gatefold form contains the 1992 official ranking of the 101 largest printing companies in North America, ranked by sales volume for their most recent fiscal year.

Rankings of top business forms printers, greeting card manufacturers, and color trade shops appear separately to avoid distortion of the main list, which concentrates on commercial, specialty, and publication-type printers.

Data for virtually all the listings were obtained from the companies themselves. Very few companies projected their sales figures or offered estimates; if so, it was either due to accounting practices or recent acquisitions. For Canadian companies, a single currency exchange rate was applied.

One notable change in this year's GAM 101 listing is the disappearance of Southam Graphics Group, which last year reported sales of $526 million. Late last October, Southam, Inc. announced plans to divest its graphic holdings to concentrate on newspaper publishing and its other information businesses.

In March, Southam's Canadian Web Group was acquired by GTC Transcontinental Group Ltd., Montreal. GTC is the parent company of Trans-Continental Printing, number 18 in this year's ranking, with estimated sales of $290 million (converted from Canadian dollars) for fiscal year ending October 31, 1991. Southam's remaining printing operations are up for sale.

A word of caution: use of the data to make direct comparisons can be very misleading, even though every effort has been made to exclude nonprinting revenues. The biggest discrepancy: commercial printers generally include billings for paper, while publication printers customarily do not. These qualifications notwithstanding, we believe the GAM 101 ranking to be the best available overview of the industry's leaders.

Additional copies of the 1992 GAM 101 are available for $5.00 each; send payment with order to Cathy Dionne, Reprints— Cahners Publishing, 1350 E. Touhy Ave., Des Plaines, Ill. 60018.

GAM 101 ranking information is compiled by Lisa Cross, Associate Editor.

Illustration by Kate Brennan Hall

RANKING BY EMPLOYEE

1	R. R. Donnelley	31,000	35	Publishers Press	1,075
2	Deluxe Corp	17,563	36	Ivy Hill	1,000
3	Quebecor Printing	10,500	37	Stevens Graphics	1,000
4	Lawson Mardon	7,500	38	Queens Group	954
5	Arcata Graphics	6,200	39	Judd's	950
6	John H. Harland	6,000	40	United States Banknote	900
7	World Color Press	6,000			
8	Quad/Graphics	5,369	41	Colwell Industries	850
9	Ringier America	5,000	42	Merrill Corp	831
10	Trans-Continental	4,500	43	Hart Graphics	815
11	Banta Corporation	4,000	44	Serigraph Inc	790
12	Sullivan Graphics	3,800	45	Lehigh Press	775
13	Jostens	3,500	46	Sheridan Group	770
14	Brown Printing	3,100	47	Fleming Packaging	750
15	Treasure Chest	3,000	48	Edwards Brothers	714
16	Clarke American	2,995	49	Alden Press	700
17	Western Publishing	2,800	50	Solar Press	640
18	Graphic Industries	2,715	51	K-P Companies	625
19	Clondalkin Group	2,100	52	Scientific Games	620
20	American Signature	2,050	53	Webcrafters	620
21	Cadmus	1,860	54	Graphisphere	615
22	Bowne	1,800	55	Waverly Press	607
23	Webcraft	1,800	56	Meehan Tooker	600
24	Perry Printing	1,700	57	Keller-Crescent	581
25	Instant Web	1,500	58	Gulf Printing	564
26	Courier Corp	1,396	59	Moebius Printing	535
27	Engraph	1,367	60	Graftek Press	530
28	Menasha Corp	1,225	61	Case Hoyt	500
29	Mack Printing	1,200	62	George Rice & Sons	500
30	Taylor Publishing	1,200	63	Johnson & Hardin	500
31	Valassis	1,170	64	Lancaster Press	500
32	Bertelsmann	1,100	65	Petty Co	500
33	Maple-Vail Book	1,100	66	Retail Graphics	450
34	Shorewood Packaging	1,100	67	Shea Communications	450
			68	Spencer Press	450
			69	Continental Web Press	425
			70	Arandell-Schmidt	410
			71	Babn Technologies	400
			72	Fort Dearborn Litho	400
			73	MacNaughton Einson	400
			74	Nielsen Company	400
			75	Northeast Graphics	400
			76	L. P. Thebault Co	400
			77	Avanti Press	385
			78	AGI Incorporated	375
			79	Anderson Lithograph	375
			80	Universal Printing	375
			81	Henry Wurst Inc	360
			82	Shakopee Valley	360
			83	Printco	350
			84	Sleepeck Printing	350
			85	Noll Printing	342
			86	Hennegan Company	330
			87	Century Graphics	325
			88	Sandy Alexander	325
			89	Tech Web	325
			90	Corporate Printing	320
			91	Japs-Olson	305
			92	H.M. Smyth	300
			93	Berlin Industries	290
			94	Acme Printing	275
			95	Interweb Printing	275
			96	Danbury Printing	268
			97	ColorGraphics	265
			98	Perimuter Printing	250
			99	Pacific Lithograph	200
			100	E.D.Web	168
			101	Kukla Press	135

BUSINESS FORMS PRINTERS

Rank, Name (Parent), Location	Sales (000), Most Recent Fiscal Year	Change (%)	Em-ployees	CEO
1 **Moore Corporation Limited**[1], Toronto, Ont.	$2,492,278	– 10	23,500	M.K. Goodrich
2 **Standard Register**[1], Dayton, OH	693,712	– 3	5,852	J.K. Darragh
3 **Uarco, Inc. (Settsu Corp.)**, Barrington, IL	670,000	– 3	5,600	H.L. Koelling
4 **NCR Systemedia**[1] **(AT&T)**, Miamisburg, OH	505,000	0	2,000	D.E. Clason
5 **Wallace Computer Services, Inc.**[1], Hillside, IL	458,800	+ 2	3,335	T. Dimitriou
6 **American Business Products**[1], Atlanta, GA	446,533	+ 12	4,000	T.R. Carmody
7 **Maclean Hunter Limited**[1], Toronto, Ont.	295,860**	+ 1	3,533	J. Greenhough
8 **Reynolds & Reynolds**[1], Dayton, OH	350,280	+ 2	2,722	R.C. Nevin
9 **Duplex Products, Inc.**[1], Sycamore, IL	285,271	– 4	2,553	C.L. Peterson
10 **New England Business Service**[1], Groton, MA	231,838	– 1	2,045	B.H. Calder
11 **Bowater Communication Papers**[1], Moline, IL	230,000	– 18	700	S.B. Saidman
12 **SCM Allied Paper, Inc.**, Dayton, OH	140,000	– 7	500	W.H. Ames
13 **Ennis Business Forms, Inc.**[1], Ennis, TX	131,810	+ 10	1,265	K.A. McCrady
14 **CST Office Products, Inc.**, Wheeling, IL	120,000	– 5	300	T. McSweeney
15 **O.E.I. Business Forms**, Itasca, IL	111,300	0	575	R.A. Houston
16 **General Business Forms**, Skokie, IL	82,000	0	620	R.S. Kuntz

(In some cases, figures may include revenues from operations other than printing.)

THE GAM 10 OFFICIAL RANKING

Rank, Name (Parent Compa	.ocation	Sales Most Recent Fiscal Year (000)	Sales Previous Fiscal Year (000)	Change (%)	Employees	Sales Per Employee	Sites	Press Units: Sheetfed, Web Offset, Gravure, Other	Primary Products	CEO	Years in Business
1 **R.R. Donnelley & Sons**	cago, IL	$3,914,628	$3,497,943	+ 12	31,000	$126,285	50	*	COM	J.R. Walter	128
2 **Deluxe Corporation**[1], S	ul, MN	1,474,482	1,413,553	+ 4	17,563	83,950	82	*	SPC	H.V. Haverty	77
3 **Quebecor Printing**[1], Mo	al, Quebec	1,386,000	1,265,000	+ 10	10,500	132,000	55	413,595,344	COM,BK,PUB	J. Neveu	3
4 **Lawson Mardon**[1], Miss	ga, Ont.	1,087,411**	949,218**	+ 15	7,500	144,988	50	*	SPC	A. Mattiussi	109
5 **World Color Press**, Nev	k, NY	700,000**	682,091	+ 3	6,000	116,666	8	*	PUB	R. Burton	89
6 **Valassis Communicatio**	Livonia, MI	636,000	574,000	+ 11	1,170	543,589	3	5,61,0	INS	D.A. Brandon	23
7 **Ringier America (Ringi**	AG, Zurich), Itasca, IL	600,000	654,000	– 8	5,000	120,000	10	*	BK,PUB,CAT	E.C. Nytko	104
8 **Banta Corporation**[1], Me	sha, WI	565,500	577,600	– 2	4,000	141,375	19	*	COM,BK,PUB,CAT	C.W. Aurand Jr.	91
9 **Arcata Graphics Company**, Baltimore, MD		565,000	560,000	+ 1	6,200	91,129	10	*	BK,PUB	J.W. Fowler	87
10 **Treasure Chest Advertising**, Glendora, CA		540,000	530,000	+ 2	3,000	180,000	14	0,332,0	INS	S.G. Scheller	25
11 **Sullivan Graphics**, Brentwood, TN		537,000	554,000	– 3	3,800	141,315	29	0,97,0,63	INS	J.T. Sullivan	4
12 **Quad/Graphics**, Pewaukee, WI		508,000	454,000	+ 12	5,369	94,167	7	6,389,58	COM	H.V. Quadracci	21
13 **Western Publishing**[1], Racine, WI		466,000	405,000	+ 15	2,800	166,482	3	46,30,0,6	BK	G.P. Oess	85
14 **Brown Printing (Gruner + Jahr)**, Waseca, MN		401,000	374,182	+ 7	3,100	129,354	9	0,213,38	PUB,CAT,INS	D. Nitz	45
15 **John H. Harland Company**[1], Atlanta, GA		378,700	366,800	+ 3	6,000	63,116	48	*	SPC	R.R. Woodson	69
16 **Graphic Industries**[1], Atlanta, GA		310,736	329,123	– 6	2,715	114,451	34	292,220,0,30	COM	M.C. Pope III	22
17 **American Signature**, Memphis, TN		300,000**	300,000**	0	2,050	146,341	4	0,204,0	CAT	T.A. Tevis	7
18 **Trans-Continental Printing**[1] **(GTC Transcontinental Group)**, Saint-Laurent, Quebec		290,335**	295,247**	– 2	4,500	64,518	22	22,388,0	COM,PUB,CAT,INS	S. De Paoli	16
19 **Clondalkin Group, Inc.**, Philadelphia, PA		270,000	270,000	0	2,100	128,571	5	*	COM	H. Lund	6
20 **Clarke American (MB-Caradon)**, San Antonio, TX		261,122	266,600	– 2	2,995	87,185	43	*	SPC	J.E. Coln	118
21 **Bowne**[1], New York, NY		236,317	201,217	+ 17	1,800	131,287	34	300,200,0,1	FIN	R.H. Koontz	217
22 **Webcraft Technologies**, N. Brunswick, NJ		228,000	261,000	– 13	1,800	126,667	4	*	COM	T.R. Cochill	23
23 **Engraph**[1], Atlanta, GA		200,499	167,808	+ 19	1,367	146,670	12	5,0,5,30,,30	SPC	L. Benatar	59
24 **Jostens**[1], Minneapolis, MN		190,000	176,000	+ 8	3,500	54,286	5	148,0,0	BK	W.H. Lurton	95
25 **Stevens Graphics**, Atlanta, GA		181,000	181,000	0	1,000	181,000	4	44,38,0,4	DIR	H.M. Inman	95
26 **Cadmus Communications**, Richmond, VA		177,691	170,375	+ 4	1,860	95,533	12	128,44,2,,1	PUB	W. Stettinius	8
27 **Alden Press**, Elk Grove Village, IL		173,000	163,000	+ 6	700	247,143	2	0,47,0	CAT	J.B. Spier	46
28 **Perry Printing (Journal Communications)**, Waterloo, WI		173,000	179,000	– 3	1,700	101,765	6	5,17,3,10	PUB	C.A. Hutchison	61
29 **United States Banknote**	New York, NY	162,000	126,000	+ 29	900	180,000	4	49,38,6,10,,44	SPC	M. Weissman	122
30 **Shorewood Packaging**[1]	armingdale, NY	160,140	142,012	+ 13	1,100	145,582	5	*	SPC	P.B. Shore	26
31 **Queens Group**, Long Is	d City, NY	147,000	137,000	+ 7	954	154,088	4	80,20,0	SPC	E. Kaltman	60
32 **Bertelsmann Printing & Mfg.**, Berryville, VA		145,000	140,000	+ 4	1,100	131,818	5	57,33,0,2	BK	G. Thielen	5
33 **Lehigh Press**, Cherry H	NJ	143,458	161,100	– 11	775	185,107	5	50,52,0,3	COM	J.D. DePaul	68
34 **Menasha Corporation**,	nah, WI	142,400	137,500	+ 4	1,225	116,245	11	*	SPC	D.C. Shepard	143
35 **Gulf Printing**[1] **(Southwe**	rn Bell), Houston, TX	134,000	112,000	+ 20	564	237,589	4	32,44,0	COM	R.G. Boerger	76
36 **Merrill Corporation**[1], S	aul, MN	125,312	100,951	+ 24	831	150,797	5	38,32,0	FIN	J.W. Castro	24
37 **Courier Corporation**[1], L	ell, MA	124,200	105,334	+ 18	1,396	88,969	5	18,40,0	BK	J.F. Conway Jr.	168
38 **Ivy Hill**[1] **(Time Warner)**	New York, NY	122,000	116,000	+ 5	1,000	122,000	4	220,8,0	COM,SPC	E. Kern	78
39 **George Rice & Sons**, L	Angeles, CA	117,393	107,240	+ 9	500	234,786	1	38,24,0	COM	E. Grossberg	113
40 **Judd's Incorporated**, W	ington, DC	105,700	107,200	– 1	950	111,263	2	6,58,0	PUB	T.A. Manning	124
41 **Mack Printing Compani**	Easton, PA	104,120	81,226	+ 28	1,200	86,767	3	37,65,0	PUB	P.F. Mack	91
42 **Meehan Tooker**, East R	erford, NJ	103,000	98,000	+ 5	600	171,667	5	49,112,0	COM	M.D. Voss	48
43 **Anderson Lithograph**, L	Angeles, CA	102,000	105,000	– 3	375	272,000	1	34,24,0	COM	G.T. Parana	41
44 **Retail Graphics Printing (RGP)**, Dallas, TX		100,000	82,000	+ 22	450	222,222	4	0,40,0	INS	L.A. Thompson/ J.G. Brown	9
45 **Fleming Packaging**, Pe	a, IL	98,094	108,592	– 10	750	130,790	2	72,13,9,14,,34	SPC	T.J. Fleming	58
46 **Hart Graphics**, Austin, TX		97,000**	79,366	+ 22	815	119,018	6	35,29,0,5,,22	BK	W.L. Hart	82
47 **Arandell-Schmidt (Arandell Corp.)**, Menomonee Falls, WI		92,500	85,500	+ 8	410	225,610	1	0,25,0	CAT	F.E. Treis	70
48 **Taylor Publishing (Insilco)**, Dallas, TX		92,400	90,000	+ 3	1,200	77,000	4	57,0,0,1	BK	F.P. Perliski	53
49 **Graphisphere Corp. (Commercial Printing Holding Co.)**, Des Plaines, IL		90,000	116,000	– 22	615	146,342	2	50,50,0,4	COM	G. Ingersoll	28
50 **Moebius Printing**, Milwaukee, WI		89,000	96,000	– 7	535	166,355	2	19,36,0	COM	P.H. Thermansen	81

THE GAM 101: OFFICIAL RANKING

Rank, Name (Parent Company), Location	Sales Most Recent Fiscal Year (000)	Sales Previous Fiscal Year (000)	Change (%)	Employees	Sales Per Employee	Sites	Press Units: Sheetfed, Web Offset, Gravure, Other	Primary Product	CEO	Years in Business
51 Scientific Games, Alpharetta, GA	$ 87.900	$ 87.500	0	620	$141.774	2	0.6.30	SPC	W.G. Malloy	18
52 Petty Co., Inc., Effingham, IL	83.027	77.730	- 7	500	166.054	2	1.75.0	COM	G.A. Whaling	36
53 The Instant Web Companies, Chanhassen, MN	80.000	75.000	- 7	1.500	53.333	3	·	COM.SP	E.J. Carlson	23
54 Publishers Printing Co., Shepherdsville, KY	77.000	72.000	- 7	1.075	71.628	3	12.74.0	PUB	N.X. Simon	126
55 Case Hoyt[1] (BCE, Inc.), Rochester, NY	75.000	78.000	- 4	500	150.000	1	28.32.0	COM	K. Kirk	73
56 Century Graphics Corporation, Metairie, LA	75.000	80.000	- 6	325	230.769	2	0.20.0	INS	C.J. Eberts	36
57 Maple-Vail Book Mfg. Group, York, PA	69.000	66.000	- 5	1.100	62.727	2	·	BK	J.S. Wisotzkey	89
58 MacNaughton Einson Graphics (MacNaughton Litho), Fair Lawn, NJ	67.000	67.000	0	400	167.500	2	48.36.0	COM	A. Merson	55
59 Continental Web Press, Itasca, IL	65.000	67.000	- 3	425	152.941	1	0.50.0	COM	K.W. Field	19
60 Northeast Graphics, North Haven, CT	64.000	52.000	+ 23	400	160.000	1	24.47.0	COM	S. Bortner	4
61 Shea Communications, Atlanta, GA	62.741**	61.469**	- 2	450	139.424	2	0.40.0	COM.CAT.INS	M.D. Shea	4
62 Serigraph, Inc., West Bend, WI	62.500	57.200	- 9	790	79.114	3	·	SPC	J.B. Torinus Jr.	43
63 Fort Dearborn Lithographic Co., Chicago, IL	60.768	56.871	- 7	400	151.920	3	57.0.0	SPC	T.W. Adler	69
64 Keller-Crescent Co., Evansville, IN	59.678	56.392	- 6	581	102.716	2	41.0.0.3 .17	COM	T.M. Smythe	107
65 Avanti Press, Miami, FL	57.000	52.000	- 10	385	148.052	1	0.18.0	COM	J.R. Arriola	27
66 Berlin Industries (Smith Investment), Carol Stream, IL	57.000	58.000	- 2	290	196.552	1	0.60.0	COM	F.E. Schmitt	56
67 Webcrafters, Inc., Madison, WI	57.000**	58.000	- 2	620	91.936	2	4.53.0	BK	J.J. Frautschi	102
68 Printco, Greenville, MI	56.539	48.565	- 16	350	161.540	2	0.40.0	INS	J. Pentecost	23
69 K/P Companies, Berkeley, CA	56.493	58.497	- 3	635	90.389	18	·	COM	J.W. Knapp	26
70 L.P. Thebault Company, Parsippany, NJ	56.200	54.000	- 4	400	140.500	2	31.18.0	COM	J.B. Thebault	38
71 Edwards Brothers, Inc., Ann Arbor, MI	56.060	52.139	+ 8	714	78.515	3	26.3.0	BK	M.H. Edwards	99
72 AGI Incorporated, Melrose Park, IL	56.000	52.600	+ 6	375	149.333	1	22.5.0	SPC	R.Block	24
73 Sheridan Group, Hanover, PA	56.000	53.400	+ 5	770	72.727	2	41.0.0	BK	R.C. Sheridan	77
74 Spencer Press, Wells, ME	55.500	55.500	0	450	123.333	1	0.31.0	CAT	J.E. Spenlinhauer III	52
75 Sleepeck Printing, Bellwood, IL	55.400	57.700	- 4	350	158.286	3	·	COM	M.W. Sleepeck	88
76 Sandy Alexander, Inc.[1] (Mickelberry Corp.), Clifton, NJ	54.382	51.659	+ 5	325	167.329	1	39.17.0	COM	F. Stillo	29
77 ColorGraphics, Inc., Los Angeles, CA	52.000	54.000	- 4	265	196.226	2	24.23.0	COM	C.N. Madison	39
78 Johnson & Hardin, Cincinnati, OH	51.000	45.000	+ 13	500	102.000	2	10.53.0	PUB	A.M. Jamison III	90
79 Waverly Press[1] (Waverly Inc.), Baltimore, MD	48.696	45.200	+ 8	607	80.224	2	22.12.0	PUB	B. Knox	102
80 Tech Web, Inc., Wheeling, IL	48.500	53.250	- 9	325	149.231	1	0.32.0	COM	D.G. Weymouth	16
81 Universal Printing, St. Louis, MO	48.000	46.000	+ 4	375	128.000	2	40.14.0.7	COM	R.A. Ebel	53
82 Colwell Industries, Minneapolis, MN	46.740	52.583	- 11	850	54.988	10	18.15.0.16	PUB.CAT.SFC	T.G. Colwell	99
83 E/D Web, Cicero, IL	46.000	44.000	+ 5	168	273.810	1	0.29.0	COM	C. Love	27
84 Graftek Press[1] (Devon Group), Woodstock, IL	46.000	45.000	- 2	530	86.793	4	19.53.0	PUB	S.B. Pearlman	25
85 Hennegan Company, Cincinnati, OH	45.454	38.962	+ 17	325	139.859	2	35.12.0	COM	R.B. Ott	106
86 Noll Printing (Our Sunday Visitor), Huntington, IN	45.200	45.100	0	342	132.164	1	0.29.0	COM.CAT	J.W. Denman	14
87 Shakopee Valley Printing (Guy Gannett Publishing Co.), Shakopee, MN	45.000**	37.600	+ 20	360	125.000	1	0.68.0	COM	K. Theis	58
88 Corporate Printing, New York, NY	45.000**	34.000**	+ 32	320	140.625	5	11.14.0	FIN	G. Shifrin	19
89 Solar Press, Inc., Naperville, IL	45.000	41.700	+ 8	640	70.313	3	0.64.0.12	SPC	F.C. Hudetz	31
90 Nielsen Company, Cincinnati, OH	44.000	·	·	400	110.000	2	38.37.0	COM.CAT.INS	S.C. Nielsen III	68
91 Japs-Olson, Minneapolis, MN	43.300	46.700	- 7	305	141.967	2	53.85.0.3 .34	COM	R.E. Murphy	85
92 Henry Wurst, Inc., North Kansas City, MO	43.200	43.150	0	360	120.000	2	0.32.0	COM	J.C. Wurst	55
93 H.M. Smyth, St. Paul, MN	42.000	40.000	+ 5	300	140.000	3	42.0.0.8 .32	SPC	P. Trowbridge	115
94 Kukla Press, Inc., Elk Grove Village, IL	42.000	40.000	+ 5	135	311.111	1	0.34.0	COM	S.J. Kukla	28
95 Lancaster Press, Inc., Lancaster, PA	41.600	39.000	+ 7	500	83.200	2	20.13.0	PUB	J.E. Cocanougher	115
96 Acme Printing, Inc., Wilmington, MA	40.500	40.000	+ 1	275	147.273	1	40.12.0	COM	F.W. Canzano Jr.	62
97 Perlmuter Printing Company, Cleveland, OH	40.382	36.013	+ 12	250	161.527	1	14.18.0	COM	R. Perlmuter	75
98 Babn Technologies (BCE, Inc.), Montreal, Quebec	40.150**	38.757**	+ 4	400	100.375	2	·	SPC	J.P. Desbiens	126
99 Interweb Printing, Boucherville, Quebec	40.150**	33.459**	+ 20	275	146.002	1	0.48.0	PUB	R. Hetu	11
100 Danbury Printing & Litho, Danbury, CT	40.000**	40.000**	0	268	149.254	1	17.36.0	COM	M. Previdi	46
101 Pacific Lithograph, San Francisco, CA	40.000	46.000	- 13	200	200.000	1	39.12.0	COM	M.J. John	43

GREETING CARD PRINTERS

Rank, Name, Location	Sales (000), Most Recent Fiscal Year	Change (%)	Employees	CEO
1 Hallmark Cards, Kansas City, MO	$2,800,000**	+ 4	22,000	I.O. Hockaday
2 American Greetings[1], Cleveland, OH	1,573,061	+ 10	21,400	M. Weiss
3 Gibson Greetings[1], Cincinnati, OH	524,314	+ 2	4,500	B.J. Sottile

COLOR TRADE SHOPS

Rank, Name (Parent), Location	Sales (000), Most Recent Fiscal Year	Change (%)	Scanners, Pagination Systems	Employees/ Mfg. Sites	CEO
1 Wace USA[1] (Wace Group, London) Chicago, IL	$205,000	- 34	27.44	2,200.9	J.J. Collins
2 Applied Graphics Technologies, New York, NY	120,000	- 9	21.31	1,200.6	F. Drasner P. Faucetta
3 Schawk, Des Plaines, IL	100,000	- 28	17.17	850.14	C.W. Schawk
4 Jannock Imaging, Toronto, Ont	$4,800**	2	6.10	320.4	W.H. Batten J. Lane
5 American Color (Sullivan Graphics) Phoenix, AZ	73,400	- 3	29.22	800.15	D. Brazell
6 Black Dot Graphics[1] (Devon Group) Crystal Lake, IL	57,966	5	8.8	780.9	J.W. Dinzole
7 Enteron Group, Chicago, IL	55,000	- 6	6.4	400.5	J.J. Reilly
8 Lanman Companies, Washington, DC	49,000**	- 3	10.3	425.4	B.B. Cunningnam
9 Kwik International Color, Ltd., New York, NY	35,750	- 49	3.3	100.1	R.J. Sirota
10 Color Associates, St. Louis, MO	29,400	- 5	2.4	325.3	C.W. Bauer
11 Colotone, Inc., North Branford, CT	24,000	41	5.2	225.4	J.A. Colins
12 Magna Graphic, Inc., Lexington, KY	22,780	- 15	5.3	180.3	K. Engle
13 Blanks Color Imaging, Dallas, TX	21,000**	- 10	4.4	198.1	L. Blanks
14 TSI Graphics, St. Louis, MO	20,331**	- 22	5.6	284.3	R.E. Hoffman
15 Rex Three, Sunrise, FL	19,000	- 11	5.5	175.1	J. Miller
16 NEC, Inc., Nashville, TN	18,300	- 7	3.7	167.1	R.W. Luckett
17 Viking Enterprises, Chicago, IL	18,000	0	3.3	180.2	F.E. Allen
18 Wilson Engraving, Dallas, TX	17,000	- 21	7.7	180.3	E.L. Green
19 H&S Reliance Ltd., Toronto, Ont	15,475**	- 8	1.4	145.2	J.A. Davidson

EXPLANATION OF ABBREVIATIONS

COM	Commercial Printing	SPC	Specialty
PUB	Publications	INS	Inserts
BK	Books	FIN	Financial Printing
CAT	Catalogs	DIR	Directory Printing

FOOTNOTES

[1] Publicly held
[2] Letterpress
[3] Flexo press
[4] Screen press
[5] Diecutting
[6] Gold leaf press
[7] Sheetfed intaglio
[8] Forms press
[9] Coaster press
[10] Cameron belt press
[11] Coater
[12] Specialty press

* Information not available
** Estimated or converted from Canadian

graphic
arts
monthly

Publishing Paces Print Profits

No industry is so intimately connected with the graphic arts as publishing. They were born together; indeed, most people in the West date the inception of the printing industry from Johannes Gutenberg's development of moveable type. What Gutenberg wanted to do was publish Bibles, and he invented printing in order to be able to do it.

The "twin" industries have since managed to separate themselves. Daily newspapers are the only publishers left that routinely do their own printing; no longer do we have people like Benjamin Franklin, who wrote books at least partly to give himself something to print.

Two large specialty areas, publication (i.e., magazine) printers and book manufacturers, are still almost totally dependent on publishing. But Printmarkets reports they comprise only 9.2% of total printing industry sales. (The leader is containers and boxes, at almost 24%.)

Publishing is often associated with large specialty printers, so it may be a surprise to find publishing listed second among industries who buy from smaller general commercial printers.

Publication printers and book manufacturers are dependent on publishing.

While mass-circulation publishing may be conspicuous, it's only the tip of the iceberg. An estimated 50,000 books are published in this country every year; only about 10% are reviewed by mainstream industry publications. Many of the others are genre books (romance, Westerns, pornography), textbooks, and scholarly publications, plus short-run, special-interest books, a majority of which are printed sheetfed by commercial printers.

The same applies in periodical publishing. Standard Rate and Data Service publishes a huge listing of specialty publications, but untold thousands of titles have neither a mailing permit nor an SRDS listing. Again, most are printed by job shops.

A burgeoning growth area is packaged software publishing; virtually all applications programs are accompanied by at least one thick manual, in addition to other printed material.

Subject of this month's Regional Update: the Middle Atlantic states (New York, New Jersey, and Pennsylvania).

Reprints of this installation of Print Target Markets may be ordered from Cathy Dionne, Cahners Publishing Company, Reprint Department, 1350 E. Touhy Ave., Des Plaines, Ill. 60018. Call (800) 523-9654 in the U.S.; (708) 390-2777 in Canada.

Anne Gusman

By Peter Johnston
Special Projects Manager

Publishing at a Glance

These figures include data for book, periodical and miscellaneous publishing, plus one area not included by the Department of Commerce in its publishing statistics, packaged software (most of which is printed material). In terms of establishments, employment or payroll, this is by a substantial margin the smallest industry we have studied in the Print Target Markets series. Its importance as a printing market, obviously, is due to the fact that printed materials are its end products.

Total Establishments: 12,188
Employees: 357,033
Total Annual Payroll: $10,573,089,000

Source: U.S. Department of Commerce, County Business Patterns

Industry Financial Outlook

The boom in magazine publishing began to slow about three years ago, and while the industry is recovering, it seems unlikely that the 1980s pattern of wildfire growth will be repeated. The persistent recession has drastically tightened advertising budgets, and mergers and acquisitions have reduced the total universe of available advertisers in most industries. Furthermore, alternative media such as direct mail and cable TV continue to chip away at the industry's revenue base. (Somewhat different but analogous and related problems have been plaguing the newspaper industry, which is not a part of this report.) Corporate ownership in the book publishing industry has changed greatly during the last decade, which has transformed (if not improved) the financial picture of the business. Overall, publishing growth is satisfactory, but profit margins continue to narrow.

Annual Sales, $ Billion (Value of Shipments)

	1988	*1989*	*1990*	*1991*
Periodicals	$18.9	$20.6	$21.7	$23.4
Book Publishing	13.6	14.9	16.0	17.3
Miscellaneous Publishing	7.0	7.5	8.0	8.7

% Change, 1989-1991

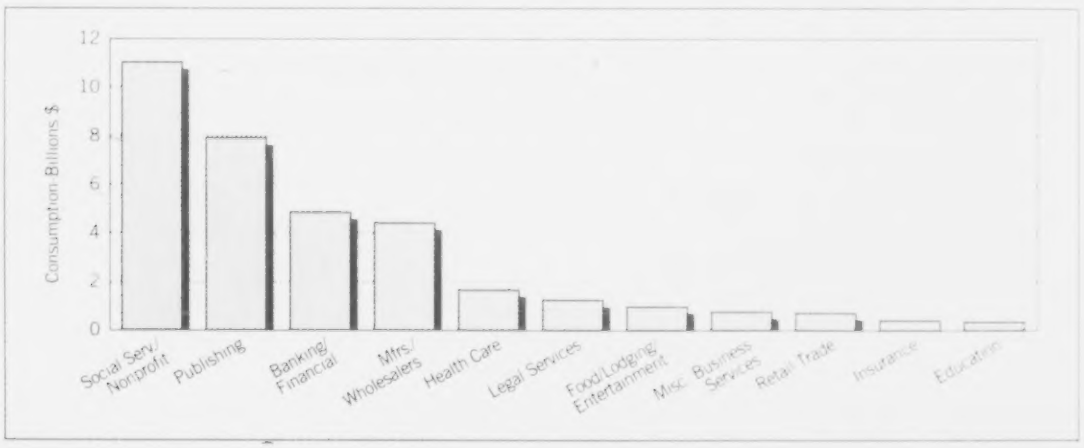
	1988-1989	*1989-1990*	*1990-19*
Periodicals	9.0%	5.2%	7.8%
Book Publishing	10.0%	7.0%	8.0%
Miscellaneous Publishing	7.5%	7.0%	7.9%

Source: U.S. Industrial Outlook

Charts and graphs by Annabelle Carter

Ranking of the Print Target Markets

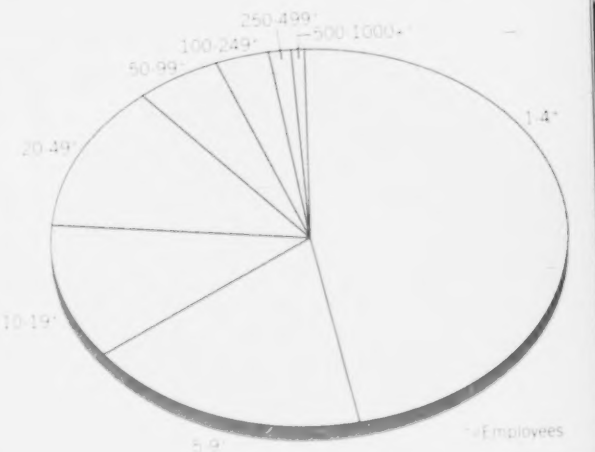
Industries to be covered in the Print Target Markets series in 1992 were selected from a DRI/McGraw-Hill listing of the largest purchasers of goods and services from commercial printers. This list was further refined by the editors, primarily by the elimination of industries that are not logical targets for small to medium-size commercial printers. The resulting list represents more than a third of all business-to-business printing sales.



Publishing Establishments by Employee Size

Publishing varies slightly from the norm in that it has a somewhat higher concentration of middle-sized and larger establishments. About 75% of all businesses have fewer than 10 employees, while in publishing the number is just over 65%. Meanwhile, 0.6% of businesses as a whole have more than 250 employees; for publishing the figure is 2.1%.

Size	Establishments	Percent
1-4 Employees	5,633	47.4%
5-9 Employees	2,123	17.9%
10-19 Employees	1,375	11.6%
20-49 Employees	1,485	12.5%
50-99 Employees	637	5.4%
100-249 Employees	378	3.2%
250-499 Employees	154	1.3%
500-1000 Employees	65	0.5%
1000+ Employees	38	0.3%



Industry Structure

As noted on the cover page, there can be some difficulty in separating publishing from printing as economic activities. While publishers who specialize in publishing do little if any printing, there are a number of companies whose primary business is printing but who publish books or periodicals under their own inprint. To further muddy the waters, there are also publishers who dabble in printing, either (in a few cases) with their own facilities or (more commonly) as brokers. The Department of Commerce has wisely decided that there is a clear-cut dividing line: "These establishments," it says of periodical and other publishers, "may or may not perform their own printing." The Department of Commerce does, however, make an organized attempt to distinguish between books and periodicals, not always (viz. Granta or the old hardbound Horizon Magazine, among others) an easy task. Periodical publishing includes comic books, magazines, periodicals, statistical reports, television schedules, and trade journals. Book publishing includes regular and book club publishing as well as music books, textbooks, and pamphlets. Miscellaneous publishing embraces atlases, newsletters, calendars, catalogs, directories, maps, sheet music, sewing patterns, race track programs, racing forms, shoppers, technical manuals and papers, telephone directories, and yearbooks. Establishments primarily engaged in printing these things are listed elsewhere, as are business service companies that publish directories as part of their service.

Category	Establishments	Employees
Periodicals	4,061	116,488
Prepackaged Software	3,156	58,346
Book Publishing	2,180	70,129
Miscellaneous Publishing	2,254	66,843

Regional Distribution–Publishing Establishments

Region	Establishments	%, U.S. Total
New England	664	5.7%
Middle Atlantic	1,857	16.0%
East North Central	1,811	15.6%
West North Central	793	6.9%
South Atlantic	1,927	16.6%
East South Central	548	4.7%
West South Central	1,239	10.7%
Mountain	734	6.3%
Pacific	2,074	17.8%

Key to Regions

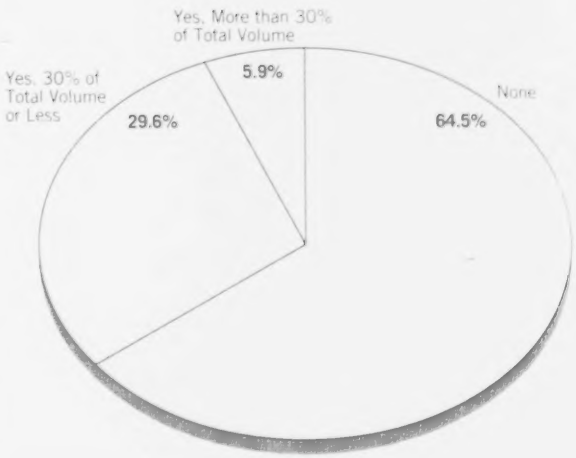
The nine geographic regions, as referred to in this table, are:

New England (NE): Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Mid-Atlantic (MA)**: New Jersey, New York, Pennsylvania. **South Atlantic (SA)**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington, D.C., West Virginia. **East South Central (ESC)**: Alabama, Mississippi, Kentucky, Tennessee. **East North Central (ENC)**: Illinois, Indiana, Michigan, Ohio, Wisconsin. **West North Central (WNC)**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **West South Central (WSC)**: Arkansas, Louisiana, Oklahoma, Texas. **Mountain (M)**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific (P)**: Alaska, California, Hawaii, Oregon, Washington.

Does Your Firm Do Work for Publishers?

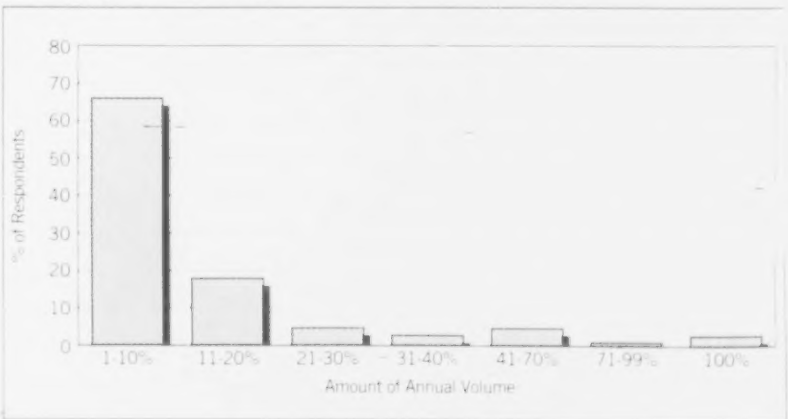
To measure the breadth of the impact of the publishing industry on commercial printing, small and medium-sized commercial printers across the country were surveyed for this article. Printers to be surveyed were selected on a random (every nth name) basis from the current circulation list of GRAPHIC ARTS MONTHLY. Over 35% of printers responding to the survey reported doing at least some work for publishing companies.

This is a smaller percentage than in most industries we have studied, which seems to indicate that many commercial shops are either unaware of possibilities in publishing or are not aggressively pursuing the market.

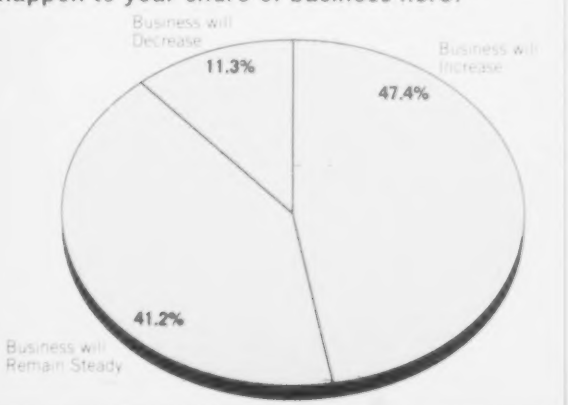


If So, How Much of Your Annual Volume is for Publishers?

Publishing accounts for a substantial (more than 30%) share of annual sales volume for just over 11% of printers surveyed. Almost 4% of respondents derive 70% or more of their sales from this source, and 2.8% report that all their printing sales is to publishers. This is higher than in most industries covered in the series, though not as high as might have been expected. Note that the surveyed population is highly representative of general commercial printers.



Over the next 12 months, what do you feel will happen to your share of business here?



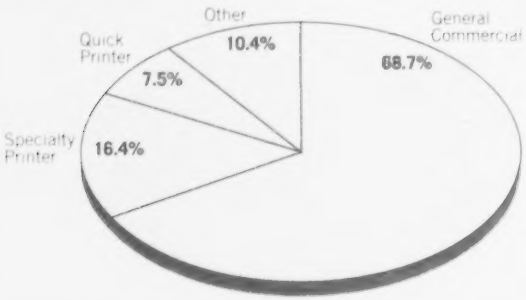
Printer-Supplied Products for Publishers

Not surprisingly, over 40% of those doing work for publishers produce bound publications of some sort. Unlike the other industries studied, a minority of commercial printers doing work for publishers report printing stationery and business forms for them. Advertising printing is a major investment for this segment; periodical publishers rely heavily on direct mail campaigns, as do book clubs and other publishers whose sales are reliant on some sort of subscription system.

Stationery and Business Cards	48.1%
Business Forms	39.6%
Advertising Sheets, Pamphlets, or Brochures	52.8%
Unbound Non-Advertising Material	38.7%
Miscellaneous Non-Printing Services	28.3%
Bound Publications	40.6%

Regional Update/Middle Atlantic

Type of Company

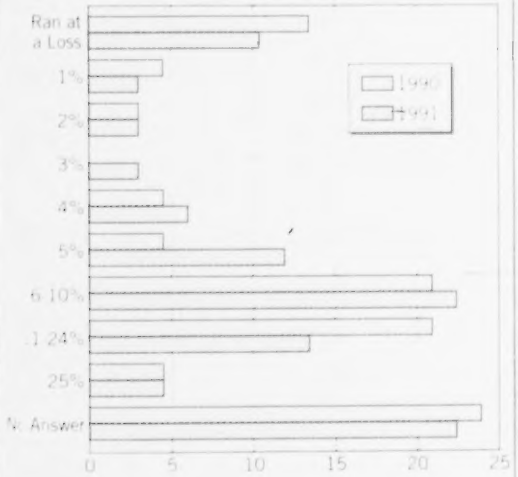


Profile of Respondents

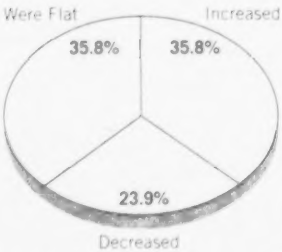
Commercial printers in New York, New Jersey, and Pennsylvania responding to a recent mail survey reported year-over-year changes in their annual sales, profitability, and operating capacity. They also revealed how they perceived the outlook for business in their area.

Gross Sales in 1991		# of Employees	
Less than $500,000	74.6%	1-4	46.3%
$500,000-749,999	4.5%	5-9	31.3%
$750,000-999,999	7.5%	10-19	20.9%
$1 million-2,499,999	11.9%	20 or more	1.5%

Profit as a Percent of Gross Sales, 1990



How Sales Changed, 1990 to 1991



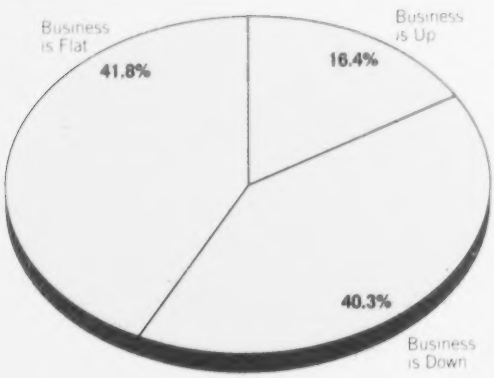
1989 to 1990

Sales Increased	50.0%
Sales Decreased	25.0%
Sales Were Flat	25.0%

(For illustration only.)

If Sales Increased 1990-1991, How Large Was Increase?		If Sales Decreased 1990-1991, How Large Was Decrease?	
Less than 5%	8.3%	Less than 5%	6.3%
5-10%	37.5%	5-10%	43.8%
11-20%	33.4%	11-20%	43.8%
21-30%	12.5%	21-30%	6.3%
31-50%	4.2%	31-50%	0%
More than 50%	0%	More than 50%	0%

Perception Index



Comments by Printers

- Growth is due to New York City market.
- We have been having a record-setting quarter. If there's a recession, we don't see it.
- Profit margins have dropped; we are all scrambling for market share.
- More sales/production from a declining customer base.
- It's very difficult to make predictions, but it looks like a slight recovery.
- Business stable after a sharp decline.
- We just opened in 1991, figures are still rough, but we expect to do much better this year.
- There are too many printers in this area, and their prices are too low, so they end up going out of business or selling.